

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2135 - SB 2372**

March 5, 2018

**SUMMARY OF BILL:** Requires any dealer of aviation fuel who is required to file an aviation fuel report pursuant to Tenn. Code Ann. § 67-6-407, upon the sale or transfer of the taxpayer's business or upon the cancellation or revocation of the taxpayer's license, to notify the Commissioner of the Department of Revenue (DOR) and pay all aviation fuel taxes due to the state. Requires the DOR's annual report on Transportation Equity Trust Fund to include the amount of taxes collected on aviation fuel used in turbo-propeller or jet engine aircraft.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-6-217(a) and (b), the sale, use, consumption, distribution, and the storage of aviation fuel that is actually used in the operation of airplane or aircraft motors is taxed at 4.5 percent. For any tax year occurring on or after July 1, 2018, such tax is limited to a total of \$10,500,000 for any single taxpayer.
- One hundred percent of such taxes are deposited to the Transportation Equity Trust Fund.
- Pursuant to Tenn. Code Ann. § 67-6-407(a), each dealer of aviation fuel is required to file a monthly or quarterly report stating the total amount in gallons of aviation fuel sold and the dollar amount collected from such sales.
- Requiring such dealers to notify the Commissioner of DOR and pay all aviation fuel taxes due to the state upon the sale or transfer of their business or upon cancellation or revocation of their license will not result in a significant impact on DOR's expenditures or a significant impact on the total amount of aviation fuel taxes collected.
- Further, requiring the DOR to include in its annual report on Transportation Equity Trust Fund the amount of taxes collected on aviation fuel used in turbo-propeller or jet engine aircraft will not have a significant impact on DOR's expenditures.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb